# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:3019
ANSWERED ON:02.08.2002
WORLD BANK AND ADB LOAN TO RAJASTHAN
RASA SINGH RAWAT

**Will the Minister of FINANCE be pleased to state:**

(a) the project-wise details of the loans being provided to Rajasthan by the World Bank and Asian Development Bank during the last three years;

(b) the terms and conditions of the loans;

(c) the names of the countries which have offered to provide loans to Rajasthan and the names of the projects of Rajasthan for which such efforts have been made;

(d) whether the Government have accepted those offers;

(e) whether Japan has restarted giving loan/grant for Aravali Development Project and Forest Development Project which was stopped earlier;

(f) if so, the details of the likely benefits thereof; and

(g) if not, the adverse consequences thereof ?

## Answer

MINISTER OF STATE FOR FINANCE (SHRI ANANT G. GEETE)

(a) The information is annexed as Statement-I.

(b) The terms and conditions are given in the annexed Statement-III.

(c) & (d) The projects being undertaken in Rajasthan with loan from various countries are given in the annexed Statement-II.

(e) These projects were closed as per their scheduled completion dates. The first phase of Aravalli Hill Afforestation Project has been completed on 31.3.2000. The Rajasthan Forestry Development project has also been completed on 12.4.2002.

(f) & (g) Do not arise.

STATEMENTS REFERRED TO IN REPLY TO LOK SABHA UNSTARRED QN. NO. 3019 DATED 2-8-2002

STATEMENT-I (Figures in Millions)

| S. NO. | NAME OF THE PROJECT | AGREEMENT DATE | SOURCE | CURENCY | LOAN AMT. | DISBURSEMENT DURING 1999-00 | 2000-01 | 2001-02 |
|---|---|---|---|---|---|---|---|---|
| 1. | Agricultural Development (Raj) | 17.12.92 | IDA | SDR | 67.58 | 6.25 | 5.17 | (Closed) |
| 2. | Rajasthan District Poverty Initiative | 12.5.00 | IDA | SDR | 75.00 | - | 2.88 | 0.65 |
| 3. | Rajasthan Power Sector Restructuring | 27.2.01 | IBRD | USD | 180.00 | - | 18.40 | 2.60 |
| 4. | Rajasthan Water Sector Restructuring | 15.3.02 | IDA | SDR | 110.00 | - | - | 4.00 |
| 5. | Rajasthan Urban Infra. Development | 1.12.99 | ADB | SDR | 250.00 | 0.00 | 0.30 | 0.98 |

STATEMENT-II

(Figures in Millions)

| S.NO. | NAME OF THE PROJECT | SOURCE CURRENCY | LOAN AMOUNT |
|---|---|---|---|
| 1. | Water Supply & sanitation -Feasibility Study for City of Jaipur | France FF | 5.30 |
| 2. | Study of Evaluation of Losses and Leakage in Water Distribution System in Jaipur | France FF | 13.69 |
| 3. | Artificial Ground Water Recharge and Waste Water Reuse for Jaipur | France FF | 4.98 |
| 4. | Rajasthan Rural Water Supply | Germany DM | 40.00 |
| 5. | Minor Irrigation, Rajasthan Ph.II | Germany DM | 30.00 |

STATEMENT-III

GENERAL TERMS AND CONDITIONS OF EXTERNAL LOANS TO GOVERNMENT OF INDIA

| Sl. No. | Source | Curency Loan | Type of (Conc. /Mixed) | Grace Period (Years) | Period of Repayment (Years) | Current Rate of Interest (in %) | Commitment Charges on Undisbursed Loan Amount (in %) | Remarks |
|---|---|---|---|---|---|---|---|---|
| MULTILATERAL | | | | | | | | |
| 1. | I.B.R.D. | US $ | Semi-Conces-sional | 5 | 15 | Variable@ 0.75 | @(I) Interest-Variable every 6 months. (a) Currency Pooled Loans (VLR-1989) Interest rate is determined based on the cost of qualified borrowings plus a spread. The lending rate applicable for the period from 01-01-2002 to 30-06-2002 is as under:- | |
| | | | | | | | Loans for which invitation for negotiation was issued prior to 31.07.1998 | 5.03% p.a.(includes a spread of 50 basis points.) |
| | | | | | | | Loans for which invitation for negotiation was issued after 31.07.1998 | 5.28% p.a. (includes a spread of 75 basis points.) |
| | | | | | | | (b) US $ Floating Rate Single Currency Loans Interest rate is determined based on 6 month LIBOR plus a variable spread. The rate applicable for interest payment date beginning 15-05-2002 to 14-11-2002 is as follows:- | |
| | | | | | | | Loans for which invitation for negotiation was issued prior to 31-07-1998 | 2.22% p.a. (with a spread of 19 basis points) |
| | | | | | | | Loans for which invitation for negotiation was issued on or after 31-07-1998 | 2.47% p.a. (with a spread of 44 basis points. |

(iv) Interest Waiver for Prompt Payment - As notified by Bank, the waiver applicable for 2001 is as under :-

Loans for which invitation to negotiation was issued prior to 31-07-1998 — 0.15%

Loans for which invitation to negotiation was issued after 31-07-1998 — 0.25%

(ii) Commitment Charges payable on the undisbursed loan amount at 0.75% Bank have been notifying waiver of 0.50% since July, 1991.

(iii) Front End Fee - 1% (one time payment) of the loan amount is payable in respect of loans negotiated after 1-7-1998.

2 I.D.A. S.D.R. Conces- 10 25 0.75 0.50
sional

(i) In respect of credits finalised till July 1988, the repayment period was 50 years including a grace period of 10 years. IDA credits presently enjoy a grace period of 10 years with a repayment period of 25 years.

(ii) Commitment charge is payable at 0.50% on the undisbursed credits. This is being fully waived by Bank since 1989-90.

(iii) 0.75% shown under Interest Column is termed as Service Charge.

3. I.F.A.D. S.D.R. Conces 10 40 0.75 The payment of 0.75% shown under Interest Column is termed as Service Charge.
sional

4. A.D.B. US Dollar Semi- 3 to 5 20 Variable@ 0.75 @ Interest - Variable every six months. The interest rate is determined based on
Conces- average cost of preceding six months of the respective pools of outstanding
sional borrowings established to fund such loans. The lending rate for the period 1-6-2002 to 31-12-2002 is 6.34% on single currency US $ loans and 3.91% in respect of multi-currency loans.

Commitment Charge - 0.75% on undisbursed loan amounts. However, the undisbursed amount is reckoned on a graded basis in respect of project loans. For programme loans it is on the entire loan amount.